
STAFF MEMORANDUM FOR CITY COUNCIL MEETING

TO: Honorable City Council

FROM: Gene Albaugh, City Manager
Catrina Andes, Finance Director

SUBJECT: Bad Debt Write Off FY 08-09

DATE: September 23, 2009

Gene Albaugh
Catrina Andes

Recommendation:

Staff recommends that the City Council adopt the resolution authorizing the write off of bad debt for fiscal year 2008-2009.

Background/Discussion:

In preparation for the 2008-2009 fiscal year end audit, the Finance Director in conjunction with the Senior Clerk identified the aged accounts that would require being written off. In keeping with appropriate accounting standards, on an annual basis, the City should identify the debt that is doubtful for collection and write the debts off at the fiscal year end to be appropriately reflected in the City's financial statements.

During the course of the fiscal year the accounts that are uncollectible through the City's collection attempts are turned over to RCA (collection agency) for continued collection, but at this time become considered doubtful for collection and identified to be written off at year end.

The following resolution includes a list of uncollectible water and sewer fees totaling \$4,699.82. Following is a short summary of the reasons that these identified accounts are being considered for write off;

- Ronald Cherry for \$561.50 water and sewer– This account was originally set up in the restaurant name "Country Rose Cafe" business name (16 years ago). The city reorganized and set policy that water and sewer accounts were to be set up in the property owner's name. Ronald Cherry purchased the property account and was transferred per the policy. However, since the charges belong to the business owner of the "Country Rose Café", the owner didn't feel that he was responsible for paying the past due bill. Direct attempts have been made to collect from the business owner without success, so this account will be turned over to RCA.

- Timothy Davies for \$126.54 water and sewer – This account has been stopped. Timothy Davies was found deceased in his home. The home is vacant and water service has been disconnected.
- James King for \$208.16 water and sewer – He abated a second unit and this charged was carried over when the account coding should have been changed from a two unit charge to a single family residence and has since been vacant and put on the market. The water service has been disconnected.
- Scott Smith for \$590.08 water and sewer – Water service has been disconnected for non-payment and turned over to the collection agency.
- David Bandy for \$1,092.80 sewer – There is no ability to “turn off” service for non-payment. This is county condemned property not habitable by humans. This account was sent to collections.
- Ronald Sasaki for \$510.00 sewer – There is no ability to “turn off” service for non-payment. The house is occupied and continues to be charged, however, what was due at fiscal year end was turned over to the collection agency.
- Roxanne Vierra for \$1,571.80 sewer – There is no ability to “turn off” service for non-payment. This is a sweat equity home and has been vacant for approximately one year. The City continued to bill on the vacant property. The account has now been stopped and turned over to the collection agency.

These accounts that the City identified as bad debt write off were reviewed by the auditors through the 2008-2009 fiscal year end audit process and will be shown in the financials as an expense to bad debt write off for the water and sewer funds.

RESOLUTION NO. 2009-XX

**A RESOLUTION OF THE CITY OF NEVADA CITY APPROVING
BAD DEBT WRITE OFF FOR FISCAL YEAR 2008-2009**

WHEREAS, some previous residents of the City of Nevada City incurred a debt for water and sewer usage to the City of Nevada City,

WHEREAS there is limited opportunity to collect those debts, and

WHEREAS, good accounting procedures direct the City to write off debts doubtful for collection.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Nevada City, hereby approves the write off of the following bad debt as listed:

Customer	Amount Owed	For
Ronald Cherry	\$561.50	Water/Sewer
Timothy Davies	\$126.54	Water/Sewer
James King	\$208.16	Water/Sewer
Scott Smith	\$590.08	Water/Sewer
Rick Zunino	\$38.94	Water
David Bandy	\$1,092.80	Sewer
Ronald Sasaki	\$510.00	Sewer
Roxanne Vierra	\$1,571.80	Sewer
Total	\$4,699.82	

PASSED AND ADOPTED at the regular meeting of the City Council of the City of Nevada City on the 9th day of September, 2009 by the following vote:

AYES: NONE

NOES: NONE

ABSENT: NONE

ABSTAIN: NONE

Reinette Senum, Mayor

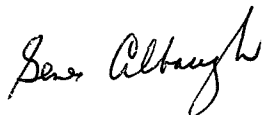
ATTEST:

Niel Locke, City Clerk

CITY OF NEVADA CITY

MEMORANDUM

TO: Honorable City Council

FROM: Gene Albaugh, City Manager 

DATE: September 23, 2009

SUBJECT: Agreement with Harold E. DeGraw for City Attorney Service
Effective October 1, 2009

Recommendation: Motion to approve Resolution No. 2009-XX approving a city attorney services agreement with Harold E. DeGraw, effective October 1, 2009, and authorizing the Mayor to sign the agreement on behalf of the City.

Background: In May 2008, long-time city attorney, Jim Anderson, announced his intention to close his practice in public law. The City commenced recruitment for a replacement, reviewed statements of qualifications of several candidates and Jeffrey Massey was selected for city attorney services from the law firm of Kronick, Moscovitz, Tiedemann and Girard (KMTG) of Sacramento. Mr. Massey has served in a very professional manner in that capacity since July, 2008.

In early 2009 as the City's revenues continued to fall sharply, it became clear that significant cutbacks in costs would have to be made. With the recent taking of the City's property tax by the State of California and further deep reductions in sales tax revenues, it is necessary to find further savings. Mr. DeGraw, who recently retired from the Nevada County Counsel's office, has offered to serve the City at very favorable fees. He is a Nevada City resident thus, reducing the City's costs for reimbursing for travel; hours and mileage paid to KMTG.

Financial Impact: With the reduced hourly fee structure for attorney services and related costs, the expectation is that city attorney service expenses will be substantially reduced.

RESOLUTION NO. 2009-XX

**A RESOLUTION OF THE CITY COUNCIL OF NEVADA CITY
APPOINTING HAROLD E. DEGRAW AS CITY ATTORNEY
AND EXECUTING AN EMPLOYMENT AGREEMENT
EFFECTIVE OCTOBER 1, 2009**

BE IT RESOLVED, by the City Council of the City of Nevada City that Harold E. DeGraw is hereby appointed as the City Attorney of the City of Nevada City effective October 1,

BE IT FURTHER RESOLVED, that Mayor Reinette Senum is hereby authorized to execute the employment agreement attached hereto on behalf of the City of Nevada City

Passed and Adopted at the regular meeting of the City Council of the City of Nevada City on the 23rd day of September, 2009 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Reinette Senum, Mayor

ATTEST:

Niel Locke, City Clerk

**CITY OF NEVADA CITY
CONTRACT FOR PART-TIME EMPLOYMENT OF CITY ATTORNEY**

This Agreement is entered into effective October 1, 2009, by and between the CITY OF NEVADA CITY (hereinafter referred to as "City") and HAROLD E. DeGRAW, an individual (hereinafter sometimes referred to as "City Attorney").

1. Employment and Scope of Services

City hereby employs and retains the services of HAROLD E. DeGRAW, and he agrees to act, as its part-time city attorney, providing legal services, advice and representation to the Mayor, City Council, City Manager, and City departments and commissions, working with the City Manager and staff as requested to carry out the City Council's goals and to represent the City in legal matters. The precise nature and extent of the legal services to be provided are to be determined by City, but may include: drafting and review of various contracts, ordinances, resolutions and documents; providing legal advice in areas such as land use, housing, personnel, conflicts of interest, economic development, finance, and elections; and assisting with litigation involving the City as necessary to represent the City's interests. The City Attorney shall be available upon request to attend Council, Planning Commission and other committee meetings to provide advice as issues arise.

2. Term of Employment and Hours

Employment of City Attorney shall be "at will", commencing October 1, 2009, or such later date as City may request, and continuing thereafter for no set term, subject to termination at the discretion of City, provided that any termination or resignation shall be upon advance written notice of 30 days, or such longer period as City may request. Employment is to be "part-time", with the specific times worked to be arranged with the City Manager for mutual convenience, Hours worked may vary from week-to-week and month-to-month to accommodate issues as they arise and financial concerns of City, but it is contemplated that time would be in blocks of an hour or more at a time, 8 to 20 hours per week, not to exceed 80 hours per month.

3. Compensation

In consideration of current municipal financial concerns and the other benefits and support services being provided by City to City Attorney, the monetary compensation payable to City Attorney for his legal services hereunder shall be:

- \$50.00 per Council, Planning Commission or other meeting attended, regardless of duration, and
- \$50.00 per hour for requested services other than meetings.

No charge will be made for travel time or expenses, unless travel is required more than 25 miles from Nevada City.

4. Other Benefits and Support Services

In addition to the compensation provided for in paragraph 3, City shall provide to City Attorney during his employment:

- a. Functional office space for City Attorney to work at City Hall in Nevada City, which could be on a shared basis, including a desk, phone, and computer, with Internet access and a legal research connection for Lexis or a comparable service, and copying/printing services, together with office supplies for City business, so that it is unnecessary for City Attorney to maintain a separate office;
- b. Liability coverage as a part-time City employee, so that no additional errors and omissions or malpractice insurance need be obtained for legal services rendered to City by City Attorney hereunder; and
- c. Commencing in 2010, payment of California State Bar dues necessary to remain qualified to practice in California and an annual allowance of \$250.00 for association membership(s), publications and continuing education.

It is understood that City will not provide City Attorney with health insurance, leave allowances, retirement benefits or vacation pay provided to other employees.

5. Notices

Notices to be given under this contract may be mailed or delivered to the City at 317 Broad Street, Nevada City, CA 95959 and to City Attorney at his office in City Hall or his residence at 217 Drummond Street, Nevada City, Ca 95959.

IN WITNESS WHEREOF, the parties have executed this contract this ____ day of September, 2009, at Nevada City, California.

CITY OF NEVADA CITY

Reinette Senum, Mayor

CITY ATTORNEY

Harold E. DeGraw

Gene Albaugh, City Manager

Attest: _____, Corey Shaver, Deputy City Clerk

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CITY OF NEVADA CITY

Reinette Senum, Mayor

Gene Albaugh, City Manager

CITY ATTORNEY



Harold E. DeGraw

Attest: _____, Corey Shaver, Deputy City Clerk

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF HOUSING POLICY DEVELOPMENT**

1800 Third Street, Suite 430
P. O. Box 952053
Sacramento, CA 94252-2053
(916) 323-3177 / FAX (916) 327-2643
www.hcd.ca.gov

RECEIVED

SEP 16 2009

City of Nevada City



September 15, 2009

Mr. Gene Albaugh
City Manager
City of Nevada City
317 Broad Street
Nevada City, CA 95959

Dear Mr. Albaugh:

RE: Review of the City of Nevada City's Adopted Housing Element

Thank you for submitting the City of Nevada City's housing element adopted August 26, 2009 and received for review on September 8, 2009. The Department is required to review adopted housing elements and report the findings to the locality pursuant to Government Code Section 65585(h).

As you know, the Department's August 26, 2009 review found Nevada City's revised draft housing element addressed the statutory requirements of housing element law. As the adopted element is substantially the same as the revised draft, the Department is pleased to find the element in full compliance with State housing element law (Article 10.6 of the Government Code).

The Department further applauds the City of Nevada City's efforts to address its housing needs, including encouraging single-room occupancy development and facilitating higher density and compact development patterns by establishing minimum density requirements. These actions will help address the increasing need for more compact development with a mix of uses to address climate change, energy conservation, air quality, and maximize land resources. Such strategies also promote the feasibility of developing housing for lower-income families and workers while strengthening local economies.

In addition, the City now meets specific requirements for several State funding programs designed to reward local governments for compliance with State housing element law. For example, the Housing Related Parks Program, authorized by Proposition 1C, Local Housing Trust Fund and the Building Equity and Growth in Neighborhoods (BEGIN) Programs include housing element compliance either as a threshold or competitive factor in rating and ranking applications. More specific information about these and other programs is available on the Department's website at http://www.hcd.ca.gov/hpd/hrc/plan/he/loan_grant_hcompl011708.pdf.

Mr. Gene Albaugh
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The Department wishes the City of Nevada City success in implementing its housing element and looks forward to following its progress through the General Plan annual progress reports pursuant to Government Code Section 65400. If the Department can provide assistance in implementing the housing element, please contact Paul McDougal, of our staff, at (916) 322-7995.

Sincerely,

A handwritten signature in cursive script, reading "Linda M. Wheaton". The signature is written in black ink and is positioned above the printed name and title.

for
Cathy E. Creswell
Deputy Director

cc: Cindy Siegfried, City Planner, City of Nevada City